



MEETING THE PROJECT MANAGEMENT CHALLENGE

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Abstract

"New Initiatives in NASA Cost Analysis"

Joe Hamaker

The first requirement, the "Level Zero" requirement, for any organization to have a credible cost estimating capability is that management needs to want to know the cost of the projects upon which it is about to embark. This may sound strange to purely commercial organizations, which live and die on cost management, but for government organizations, it can be the case that management at some levels (and maybe all the way to the top) doesn't really want to know what a project might ultimately cost. If the cost were accurately scoped at the outset, many projects would not be started or would be significantly re-designed prior to initiation. At times in NASA's history, at some levels of management, the tendency has been to start projects first and ask questions later about what they might cost. That is not the case in NASA today. Top NASA management has clearly communicated from the top down that the cost of projects must be understood as completely and accurately as possible at their outset and project decisions will be based on that knowledge.

Consequently, NASA cost estimating is undergoing a renaissance. A number of initiatives to improve Agency cost estimating are underway. These initiatives include:

- * Using cost risk analysis ("S-curves") and a new Cost Readiness Level (CRL) scale to communicate uncertainty and variability in cost estimates
- * Using a NASA version of a Cost Analysis Requirement Description (CARD) to document the basis for estimate
- * Improving contract Data Requirements (DRs) to do a better job at capturing and archiving cost and technical data from ongoing projects for use in estimating new projects across One NASA
- * Estimating in full cost
- * Developing a Cost Estimator's Career Guide
- * Wrapping all the initiatives together in something we refer to as the cost continuum initiative

The Cost-Risk Feedback Continuum is a "systems of cost systems" approach to gaining and keeping a solid understanding and control of those risks that potentially can drive cost growth. It consists of 12 separate, but related by risk, cost disciplines and activities and is designed especially to support the project manager in accomplishing his/her project within the cost and budget targets established. From here the 12 cost discipline cycle repeats as the project moves from one phase to the next. This talk will address these initiatives.



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